Infrastructure

ACCOUNTABILITY STATEMENT

This Business Plan for the three years commencing April 1, 2001 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at April 3, 2001 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.

[ORIGINAL SIGNED]

Ty Lund, *Minister of Infrastructure*
April 10, 2001

OUR MISSION

Alberta Infrastructure contributes to Alberta's economic prosperity and quality of life through the provision of necessary, effective and safe infrastructure for all Albertans.

CORE BUSINESSES

- Through innovative partnerships, support the provision of infrastructure to meet the overall needs of Albertans, including health care, learning, community service facilities and seniors' lodges.
- Ensure efficient planning, design, construction, rehabilitation, operation, maintenance, and land management of government-owned and supported infrastructure.
- Manage central services to all government departments including procurement of supplies, disposal of surplus materials, accommodation requirements, property acquisition and disposal, air transportation, and executive and government vehicle fleet operations.
- Represent Alberta's interests in internal and external trade agreements as they impact government procurement.

LINKAGES TO THE GOVERNMENT BUSINESS PLAN

Alberta Infrastructure's core businesses and scope of programs and services help to support Alberta's economy and touch the life of virtually every Albertan. This ministry supports all three of the core businesses identified in the Government's Business Plan: *People, Prosperity and Preservation,* through the provision of safe and effective infrastructure.

GOVERNMENT BUSINESS PLAN	ALBERTA INFRASTRUCTURE BUSINESS PLAN
People:	
1. Albertans will be healthy.	1. Provide capital funding for health care facilities and seniors' lodges (Goal 2).
2. Our children will be well cared for, safe, successful at learning and healthy.	2. Provide capital funding for Children's Services facilities, school facilities, and health facilities (Goal 2).
3. Alberta students will excel.	3. Provide capital funding for school facilities (Goal 2).
4. Albertans will be independent.	4. Provide capital funding for post-secondary institutions (Goal 2).
Prosperity:	
8. Our workforce will be skilled and productive.	8. Provide opportunities for student and employee exchange (Goal 4).
11. Alberta will have effective and efficient infrastructure.	11. Plan, construct and maintain government-owned and supported infrastructure (Goals 1,2,3).
Preservation:	
15. Alberta will be a safe place to live and raise families.	15. Provide and maintain court and correctional facilities (Goals 1, 2).
18. Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources.	18. Provide capital funding for museums and other cultural facilities (Goal 2).

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GOALS AND STRATEGIES

GOAL 1: ENHANCE INFRASTRUCTURE PLANNING AND MANAGEMENT

OBJECTIVES	KEY STRATEGIES
1. Support the cross-ministry Capital Planning Initiative.	• Support effective funding decisions with a long-term capital plan for both government-owned and supported infrastructure. • Implement effective, independently verifiable Infrastructure Management Systems (IMS) and common key performance measures for owned infrastructure to improve planning and priority setting. • Develop a strategy for design and implementation of IMS and associated performance measures for supported infrastructure. • Divest government properties that are no longer required. • Participate in the development of a policy framework and guidelines for public/private partnerships.
2. Facilitate the accessibility of buildings.	• Ensure accessibility for persons with disabilities is fully considered in the policies, programs and services of the ministry, including owned and supported building infrastructure.
3. Support climate change initiatives.	• Continue to support the national climate change process with respect to conserving electricity and improving the energy efficiency of owned and supported building infrastructure.
4. Administer the Natural Gas, Propane/Fuel Oil Rebate Programs.	• Assist consumers by reducing the cost of natural gas, propane and fuel oil through monthly rebates.
5. Participate in the Electricity Conservation Strategy.	• Work with all government departments, industry and external stakeholders to achieve a reduction in power consumption.
6. Efficiently administer infrastructure construction and maintenance contracts.	• Maintain industry stakeholder access to bid documents in electronic form for publicly tendered construction contracts.

GOAL 2: WORK WITH PARTNERS TO PROVIDE QUALITY BUILDING INFRASTRUCTURE

OBJECTIVES	KEY STRATEGIES
1. Ensure effective planning and management of learning facility capital projects.	• Through the New Century Schools Plan, provide funding of $705 million in 2001-02 to school boards to address high-priority requests for new schools and school upgrades. • Plan, evaluate and develop provincial school capital plans, programs, processes, policies and legislation, as well as manage school capital, in partnership with Alberta Learning. This will include utilization, acquisition, and monitoring of all school facilities. • With school boards, develop long-term capital plans incorporating expansion needs and preservation priorities based on school facility audits. • Ensure school boards are aware of the new design and construction standards and operation and maintenance guidelines, as best practices for protecting the integrity of school infrastructure. • With school-facilities stakeholder groups, continue to implement the recommendations of the School Facilities Task Force. • Provide $256 million for post-secondary institutions in 2001-02 for expansion and renewal of existing facilities. • Undertake condition audits and develop a database for condition information for post-secondary institutions.
2. Rationalize the ministry's contracting requirements for supported infrastructure.	• Review all regulations, policies and practices governing the contracting activities of funded entities in supported infrastructure programs. • With stakeholder input, develop standardized contracting directives applicable to supported building infrastructure programs and projects.
3. Continue effective planning and project implementation to support government programs.	• Develop a facility to accommodate the provincial archives. • Renovate and expand the Court of Appeal Building in Calgary. • Manage the Swan Hills Treatment Centre during transition and develop and implement a long-term strategy for the facility. • In partnership with Community Development, provide $85.4 million and ministry expertize in the planning and construction of infrastructure projects for Alberta's 2005 Centennial. • Provide long-term accommodations for the Alberta Alcohol and Drug Abuse Commission's Youth Treatment Centre in Calgary. • Renovate and expand the Food Processing Centre in Leduc. • Establish approximately 100 Alberta Children's Initiative offices in existing and new leased space. • Consider options for underused space (e.g., consolidation of warehousing functions in the Westerra Building in Stony Plain, a former NAIT campus).
4. Provide funding and support for the construction and upgrading of health facilities and seniors' lodges.	• In partnership with Alberta Health and Wellness, provide $870 million in 2001-02 to regional health authorities for new health facilities and updating and expansion of existing facilities, including the Children's Hospital and Bone and Joint Centre of Excellence in Calgary, the Royal Alexandra Hospital Redevelopment and Cardiac Care Centre of Excellence in Edmonton and other acute and long-term care facilities throughout the province. • Continue involvement in major capital projects and capital upgrading for health care facilities. • Provide $80 million for health innovation research facilities for Calgary and Edmonton in 2002-03. • Develop and maintain a long-term provincial capital plan for health care facilities. • Complete the province-wide upgrading of 121 seniors' lodges by 2003. • Continue to manage projects on behalf of the lodge foundations that are outside the scope of the Lodge Upgrading Program.

GOAL 3: INCREASE THE EFFECTIVENESS AND EFFICIENCY OF CENTRAL GOVERNMENT SERVICES

OBJECTIVES	KEY STRATEGIES
1. Ensure effective planning and management of government facilities.	• Work with other ministries on accommodation needs and minimize overall government accommodation costs resulting from government restructuring. • By the end of 2001-02, sell or divest a further $35 million of surplus and underutilized properties, toward the total sales target of $100 million. • Continue to participate in a benchmarking survey with other government jurisdictions and the private sector comparing building operating costs.
2. Manage safe, reliable and cost-effective government transportation services.	• Ensure government aircraft are allocated according to established priorities. • Oversee the lease of the government vehicle fleet and manage the executive vehicle fleet.
3. Provide efficient, cost-effective and timely procurement services to other government ministries.	• Support the Alberta Corporate Service Centre (ACSC) in consolidating transactional/administrative and professional/advisory services under one organizational umbrella. • Continue to promote access by Alberta businesses to public sector procurement opportunities at all government levels by promoting awareness of the procurement provisions covered by the Agreement on Internal Trade. • Explore opportunities to adopt emerging e-procurement web-enabled technology to enhance and streamline cross-government procurement processes.

GOAL 4: CREATE A VALUE-ADDED ORGANIZATION

OBJECTIVES	KEY STRATEGIES
1. Build and maintain a workforce that can meet or exceed the challenges outlined in the business plan and support overall government goals and programs.	• Reallocate resources as needed to ensure the new Ministry of Infrastructure meets client needs. Partner with Alberta Transportation in sharing strategic corporate services. • Provide ongoing staffing and other resources to support new and existing government priorities as needed, such as managing the energy rebate programs, participating in the Electricity Conservation Strategy and supporting the Capital Planning Initiative. • In conjunction with other ministries, continue to explore opportunities to rationalize program delivery to enhance efficiency.
2. Update the ministry's Human Resource Plan.	• Continue with initiatives to train staff, such as the Learning Account Program and the ongoing development and implementation of learning plans and performance contracts for all employees. • Ensure leadership continuity within the ministry by developing an effective succession plan. • Foster an environment based on teamwork and implement recommendations from the Human Resource Advisory Committee regarding staff development and improving staff morale. • In co-operation with Alberta Transportation, enhance the Joint Workforce Development Initiative by working with industry and educational institutions to attract, train and develop members of the construction and consulting industries and the public service. • Expand opportunities for internships for students and secondments for both non-management and management staff. • Undertake work climate surveys to measure how well the workplace environment meets employee needs. • Increase employee knowledge of the ministry's business plan goals and strategies through strategic planning sessions and enhanced involvement in business plan development. Measure their level of understanding of the business plan process. • Encourage and support the Alberta Infrastructure/Alberta Transportation Wellness at Work Team to promote physical and mental well-being of employees, improve working relationships and enhance the corporate image of the ministry. Also support the ongoing implementation of the co-operative Rewards and Recognition Program.
3. Provide top-quality programs and services to clients.	• Measure client satisfaction with services provided by Alberta Infrastructure through an annual survey of stakeholders and clients. • Implement program/service improvements as needed to address client needs.

CORE PERFORMANCE MEASURES

GOAL 1: ENHANCE INFRASTRUCTURE PLANNING AND MANAGEMENT

The Capital Planning Initiative Report of March 2000 identified three long-term performance measures to be used across government to report on the management of physical infrastructure:

Physical Condition – the percentage of physical infrastructure rated as being in acceptable condition;

Utilization – the percentage of physical infrastructure for which utilization level is within targeted capacity;

Functional Adequacy – the percentage of physical infrastructure that provides acceptable functional service.

Planning and Management of Ministry Owned and Operated Buildings

	Results	Targets	Business Plan Targets		
	1999-2000	2000-01	2001-02	2002-03	2003-04
A) Physical Condition: % of facilities meeting target criteria for physical adequacy	97	97	97	97	97
B) Utilization: % of facilities meeting target criteria for utilization	88	88	89	89	91
C) Functional Adequacy: % of facilities meeting target criteria for functional adequacy	74	74	79	80	81

A) Physical Condition of Ministry Owned and Operated Facilities

This measure is defined as the percentage of ministry owned and operated facilities which meet an acceptable condition rating. Acceptable condition is defined as facilities rated as *fair* or *good*. The condition of the facilities is based on a condition survey undertaken by ministry staff using general criteria. The Capital Planning Initiative Report of March 2000 identified a three-point rating scale applicable to this type of infrastructure:

Good – adequate for intended use and expected to provide continued service life with average maintenance;
Fair – components are aging, near the end of their life cycle, and require additional expenditures for renewal or refurbishing;
Poor – requires upgrading to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

Of the buildings surveyed, 97% are in acceptable condition, of which 40% are in *fair* condition. Buildings rated as *fair* require ongoing upgrading and maintenance as major systems/components are at or near the end of their life cycle. Physical condition is a critical factor involved in the decisions to reconstruct, rehabilitate, maintain or dispose of infrastructure. This measure excludes buildings under 1,000 gross square metres.

B) Utilization of Ministry Owned and Operated Facilities

This measure is defined as the percentage of ministry owned and operated facilities over 1,000 gross square metres utilized within targeted capacity. Utilization rate is the ratio of space allocated for required programs to total usable space. Facilities with a utilization rate between 75% and 100% are within target capacity. Data used in this measure includes space used by quasi-government organizations who provide programs and services to communities and the public. Utilization is another key factor considered in decisions to maintain, renovate, expand or dispose of facilities.

C) Functional Adequacy of Ministry Owned and Operated Facilities

This measure is defined as the percentage of ministry owned and operated facilities over 1,000 gross square metres providing acceptable functional service. Facilities that meet current or anticipated functional program requirements are rated as acceptable. Functional adequacy takes into account the capacity to support the delivery of programs and to accommodate functions, as well as the suitability of the location. Functional adequacy is also a key factor considered in capital decision-making Assessment of functional adequacy of a building, as a whole, is based on general criteria and the knowledge and discretion of Infrastructure staff in consultation with program departments. In future years, a methodology based on more detailed criteria will be developed.

GOAL 2: WORK WITH PARTNERS TO PROVIDE QUALITY INFRASTRUCTURE

Seniors' Lodge Upgrading Projects Completed (total 121)

	Results	Target	Business Plan Targets	
	1999-2000	2000-01	2001-02	2002-03
Number of seniors' lodges upgraded	78	90	107	121

This measure is calculated by determining the number of seniors' lodges for which upgrading is complete. The data represents the cumulative number of lodges upgraded. A total of 121 lodges were originally selected for upgrading.

GOAL 3: INCREASE THE EFFECTIVENESS AND EFFICIENCY OF CENTRAL GOVERNMENT SERVICES

Energy Consumption Per Square Metre

	Results	Target	Business Plan Targets		
	1999-2000	2000-01	2001-02	2002-03	2003-04
Energy consumption in owned and operated facilities (megajoules per m^2)	1,813	1,813	1,800	1,785	1,785

This measure shows the average energy consumption in owned and operated facilities over 12 months, and is an indicator of how efficiently energy is being used by the facilities. The results are calculated by converting the actual energy consumption for gas and power into one common unit of measure (megajoules), which is adjusted for weather variations and divided by the total gross square metres of all owned facilities. The conversion to megajoules and weather variation adjustments allows for annual comparisons of consumption.

Operating Cost Per Square Metre

	Results	Targets	Business Plan Targets		
	1999-2000	2000-01	2001-02	2002-03	2003-04
Industry operating cost per m^2		To be determined			
Average operating cost per m^2 of all office buildings owned and operated by Alberta Infrastructure		To be determined			

This measure compares the average annual operating cost per square metre of all Alberta Infrastructure owned and operated office buildings to the industry standard. The Alberta industry standard will be determined using the results of a national survey undertaken every two years. Information on comparable office buildings operated in Alberta, by both the public and private sectors, will be extrapolated from the national survey data. For those years where no survey is undertaken, the results from the prior year will be used and adjusted for variances in the energy costs.

GOAL 4: CREATE A VALUE-ADDED ORGANIZATION

Using the government-wide Core Measures Survey, this measure is defined as the percentage of Alberta Infrastructure employees who understand how their work contributes to the ministry's business plan.

Employees' Understanding of the Business Plan

	Results	Results	Business Plan Targets		
	1999-2000	2000-01	2001-02	2002-03	2003-04
% of Alberta Infrastructure employees who understand how their work contributes to the ministry's business plan	64%	85%	To be determined		
% of government employees who understand how their work contributes to their ministry's business plan	56%	78%	To be determined		

Client Satisfaction Survey

This measure is being developed. Data collected in 2000-01 will enable the ministry to develop a measure and set targets for future years.

Expense by Core Business

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
EXPENSE						
Core Business						
Government Facilities	275,466	273,870	289,632	313,727	298,568	287,016
Municipal and Other Infrastructure	448,560	394,692	1,415,361	2,448,183	356,218	284,053
Central Services	19,164	19,175	15,477	18,400	17,246	17,448
MINISTRY EXPENSE	743,198	687,737	1,720,470	2,780,310	672,032	588,517
CAPITAL INVESTMENT						
Core Business						
Government Facilities	12,255	25,340	25,340	50,530	37,630	53,806
Central Services	1,326	1,036	1,036	1,500	1,500	1,500
MINISTRY CAPITAL INVESTMENT	13,581	26,376	26,376	52,030	39,130	55,306

Ministry Statement of Operations

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
REVENUE						
Internal Government Transfers	200,000	260,000	260,000	345,000	55,000	55,000
Investment Income	3,700	4,300	4,300	4,300	4,300	4,300
Premiums, Fees and Licences	2,524	2,000	2,000	2,000	2,000	2,000
Other Revenue	35,266	22,920	31,420	25,160	21,160	19,860
MINISTRY REVENUE	241,490	289,220	297,720	376,460	82,460	81,160
EXPENSE						
Program						
Leases	72,184	76,100	76,100	82,370	82,370	82,370
Property Operations	95,546	95,745	110,095	116,730	97,328	98,151
Health Care Facilities	185,001	168,000	190,000	870,100	81,100	132,900
Seniors' Lodges	21,319	17,100	15,800	17,100	12,000	8,000
School Facilities	142,330	160,030	230,030	705,030	140,030	140,030
Post-Secondary Facilities	98,600	47,400	63,400	255,700	120,800	800
Government Facilities	31,286	19,695	21,995	25,850	29,350	14,750
Energy Rebates	-	-	914,000	598,000	-	-
Centennial Projects	-	-	-	1,400	2,400	4,200
Support Services	34,126	34,516	33,471	37,240	37,756	38,279
Cross-Government Services	12,635	13,602	10,030	11,630	11,738	11,877
Amortization	46,527	50,349	50,349	51,560	51,560	51,560
Nominal Sum Disposals	1,355	5,000	5,000	5,000	5,000	5,000
Consumption of Inventories	282	100	100	2,500	500	500
Valuation Adjustments and Other Provisions	2,007	100	100	100	100	100
MINISTRY EXPENSE	743,198	687,737	1,720,470	2,780,310	672,032	588,517
Gain (Loss) on Disposal of Capital Assets	2,215	-	-	-	-	-
Write Down of Capital Assets	(2,407)	-	-	-	-	-
NET OPERATING RESULT	(501,900)	(398,517)	(1,422,750)	(2,403,850)	(589,572)	(507,357)

CAPITAL INVESTMENT

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Program						
Land Acquisition	9,060	15,100	15,100	18,300	3,300	8,300
Government Facilities	2,826	9,830	9,830	13,920	12,420	6,920
Centennial Projects	-	-	-	17,900	21,500	38,000
Support Services	369	410	410	410	410	586
Cross-Government Services	1,326	1,036	1,036	1,500	1,500	1,500
CAPITAL INVESTMENT	13,581	26,376	26,376	52,030	39,130	55,306

Consolidated Net Operating Result

(thousands of dollars)

	Comparable 1999-2000 Actual	Comparable 2000-01 Budget	Comparable 2000-01 Prelim. Actual	2001-02 Estimates	2002-03 Target	2003-04 Target
Ministry Revenue	241,490	289,220	297,720	376,460	82,460	81,160
Inter-ministry consolidation adjustments	(207,907)	(267,400)	(267,400)	(352,470)	(62,470)	(62,470)
Consolidated Revenue	33,583	21,820	30,320	23,990	19,990	18,690
Ministry Program Expense	743,198	687,737	1,720,470	2,780,310	672,032	588,517
Inter-ministry consolidation adjustments	(9,262)	(12,400)	(12,400)	(12,470)	(12,470)	(12,470)
Consolidated Program Expense	**733,936**	**675,337**	**1,708,070**	**2,767,840**	**659,562**	**576,047**
Gain (Loss) on Disposal of Capital Assets	2,215	-	-	-	-	-
Write Down of Capital Assets	(2,407)	-	-	-	-	-
Inter-ministry consolidation adjustments	(1,355)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
CONSOLIDATED NET OPERATING RESULT	(701,900)	(658,517)	(1,682,750)	(2,748,850)	(644,572)	(562,357)